

Date: March 29, 2000

To: Conservation District Procedure Manual Holders

From: Deborah Schenck, Contracts Specialist

Subject: Revision 42 - Section 360 - Basic Funding Match Program
Revision and Grant Application for FY 2001

This packet contains changes to Section 360, Basic Funding Match Program, and one FY 2001 Basic Funding Match Program Application.

Changes include:

- 1) Pages 1-7 of Section 360 BFM. The Calendar on page 1 includes various reports and material that are due throughout the year for the Basic Funding program. These impact Basic Funding distribution. It is important that districts meet these due dates.
- 2) The revision includes other minor changes for clarification and ease in reading. **Remember the last date to submit the Basic Funding Match Application is June 1.** We're looking at this date becoming a firm deadline next biennium, with consequences for not meeting it. This and other grants issues will be acted on at upcoming Conservation Commission meetings.
- 3) Section 360 BFM - C (Basic Funding Match Program Application Forms A, B, and C). Last year's Form C (Standards and Certification) is now part of Form B (Application Checklist). The mileage rate was changed on January 1, 2000 to \$.325/mile.

Instructions to Conservation District Procedure Manual Holders: This is the forty-second numbered revision to the Conservation District Procedure Manual. Instructions for updating the manual are on the back of this page. If you do not have an updated manual, contact your Field Operations Manager.

Instructions to Conservation District Procedure Manual Holders:

Revision No. 42 – Section 360 Basic Funding Match Program

1. If you do not have a Procedure Manual, contact your Field Operations Manager.
2. If you are missing revisions prior to this one, contact the Commission's Olympia office.
3. Fill in the blanks after line #42 on the Index of Manual Revisions as follows:

<u>#</u>	<u>Sec</u>	<u>Issued</u>	<u>Subject</u>	<u>Date</u>	<u>Who</u>
42	360	3-29-00	Basic Funding Match Program	Date Inserted	Your Initials

4.
 - a. Remove and recycle the following pages:
Section 360 BFM (pages 1 through 8 from April 2, 1999)
Section 360 BFM – C (pages 1 through 5, including the In-Kind Accounting for Interlocal Costs form)
 - b. Do not remove the Basic Funding Policy Position (BFM – A, pages 1-3) or the Basic Funding Law (BFM – B)
 - c. Insert the new Section 360 BFM which includes:
Section 360 BFM (pages 1 through 7 dated March 17, 2000)
Section 360 BFM – C (pages 1 through 5, should be inserted following BFM – B)
5. Insert this purple numbered revision cover memo behind the tab "Revisions" and in front of all other revision cover memos.

If you have questions about the Basic Funding Match Program section of the Procedure Manual, contact either your Field Operations Manager or the Conservation Commission grants staff.

Attachments

BASIC FUNDING MATCH PROGRAM

ELIGIBILITY

Basic Funding Match is available to all conservation districts that meet the requirements described in this section and in the application forms. Basic Funding requires a dollar for dollar cash match. Districts are required to submit reports including their Annual Financial Report, Annual Internal Audit Report, Annual Report of Accomplishments for the prior calendar year, Annual Plan of Work for the current year, board minutes for the previous calendar year, and quarterly and final grant reports. Districts must also certify that they meet money and program management standards.

APPLICATION and FORMS

Districts must submit a BASIC FUNDING MATCH APPLICATION (Exhibit 360 BFM – C). The Basic Funding program calendar follows:

PROCEDURE

When is it Due	What is Due for Basic Funding	From	To
March 1	Annual Financial Report for preceding calendar year (due to State Auditor May 31)	District	Commission
April 1	Annual Plan of Work	District	Commission
May 1	Internal Audit Report	District	Commission
May 1	Update Program and Money Management Standards – due biennially	District	Commission
May 1	Basic Funding Match Application – to get money as soon as possible.	District	Commission
June 1	Deadline for Basic Funding applications	District	Commission
July 1	Basic Funding payments – to qualifying districts	Commission	Districts
September 1	Annual Report of Accomplishment – report of previous year's plan	District	Commission

DUE DATES

The Annual Report of Accomplishments is due September 1 for the one-year period beginning on July 1 of the previous year and ending 12 months later on June 30.

The Annual Financial Report for the last calendar year is due on March 1 to the Commission in order to meet the Basic Funding deadline. This is due to the State Auditor no later than May 31; but you can send it to the Auditor when you send it to us.

The Annual Plan of Work is due April 1 for the period beginning on July 1 of the same year and ending on June 30 of the following year.

Districts that send the required reports and application by May 1 will get their first Basic Funding check as soon as possible. Form C1, Basic Funding Match Claim gives the Commission staff needed information to calculate match for all districts. Claims for Crossover Match received after June 1 will be denied if all Basic Funding has already been allocated (See ELIGIBLE MATCH).

The last date Basic Funding applications will be accepted is June 1.

PROCEDURE

STATE LAW AND FUNDING

In 1989, the Washington Association of Conservation Districts (WACD) asked the state legislature to provide “basic funding” for conservation district activities. The legislature responded by amending the Conservation District Law to authorize the Conservation Commission to award annual matching grants to conservation districts to be used for activities permitted under the conservation district law (see Exhibit 360 BFM – B, Basic Funding Match Law – RCW 89.08.410).

HISTORY

The annual basic funding matching grant authorized for each district is equal to documented eligible match up to \$22,500 per year (dollar for dollar match). Since the program began in 1989, the legislature has not appropriated enough money to fully support the basic funding match program. Full support for basic funding (22,500 for each district) would be \$1,080,000 per year or \$2,160,000 for the two-year biennium.

MATCH REQUIRED

The state basic funding match law authorizes the Commission to award basic funding matching grants “...equal to the total moneys obtained by the conservation district from all sources, other than any grants obtained from the state, during the preceding calendar year....” This requires the district to show one dollar of local matching money for every dollar of basic funding match money received.

LAW

ELIGIBLE MATCH

Districts must report and claim eligible match moneys obtained in a calendar year (January 1 – December 31) as match for basic funding awarded in the following state fiscal year (July 1 – June 30). “Matching Year” means the year in which the required match money must be reported and claimed. The legislature established the calendar year (January 1 – December 31) prior to the year basic funding is distributed as the reporting period and Matching Year for basic funding match.

LAW

SOURCES OF ELIGIBLE MATCH

The Conservation Commission has adopted Eligible Match policy that defines acceptable sources of local match. See Exhibit 360 BFM – A, Conservation Commission Policy Position – Washington State Basic Funding Match Program for Conservation Districts (Revised 3/20/95).

POLICY

Any money obtained by the district during the previous calendar year, other than grants obtained from the state, is eligible as match for basic funding.

Eligible sources of local match include, but are not limited to:

1) **Gross Income** (examples)

- | | |
|-------------------------|------------------------|
| a) plant material sales | f) interest |
| b) equipment rental | g) gravel sales |
| c) real property rental | h) sale of assets |
| d) directory sales | i) contracted services |
| e) advertisements | |

1) **Other Income** (examples)

- a) federal direct grants
- b) federal pass-through grants (*i.e. federal money administered by a state agency*)
- c) assessments
- d) fees

POLICY

DEFINITION:

The Commission interprets “a grant obtained from the State” to include:

GRANTS OBTAINED FROM THE STATE

- 1) A direct grant of state money to a district under a contractual arrangement, including water quality grants from the Conservation Commission or the Department of Ecology. (Use BARS Code 334.XX.XX)
- 2) Pass-through grants of state money given to the district by a local government agency to administer and perform an entire grant project. The pass-through agency may retain a small amount of the grant money for administrative services, such as processing reimbursement requests, but is not involved in the direct supervision of grant project activities. (Use BARS Code 334.XX.XX)

DEFINITION:

The following are **not** considered grants “obtained from the state.”

GRANTS NOT FROM THE STATE

- 1) County or other local government money furnished to the district even if the original source of the money is a state appropriation or grant, unless the money is a pass-through grant. See #2 above. (Use BARS Code 337.XX.XX)
- 2) Federal pass-through money administered by a state agency (such as Department of Natural Resources Stewardship grants). (Use BARS Code 333.XX.XX)

Correct BARS Coding Can Increase Your Basic Funding Match

The correct BARS Code is included in parentheses after the definitions above. Incorrect coding can reduce your basic funding match. For example, if you code federal money administered by a state agency to BARS Code 334.XX.XX, it will not be counted as match for Basic Funding.

Match Used for Basic Funding Can Also Match Commission Grants

The local match claimed for basic funding match may also be used to meet

the match requirement for Water Quality grants awarded by the Conservation Commission of twenty-five percent for Competitive and ten percent for Implementation grants.

**DEFINITION:
CROSSOVER
MATCH**

Crossover Match means money claimed by the district as match in the year it was obtained rather than the year received. The money must be received before the district applies for basic funding. Crossover Match may be claimed by the district as basic funding match in either one, but not both, calendar years.

A district is not required to claim Crossover Match. Claiming Crossover Match requires extra paper work. This may be worth it if the district's share of basic funding is increased significantly to meet the minimum match required.

The basic funding law defines match as "money obtained during the preceding calendar year." The Commission's interpretation of the law is based on **Webster's** definition of obtain – "to gain possession by intention." Based on this definition, a district can choose which year to claim money obtained in one year and received the following year.

POLICY

District records and the basic funding application must clearly identify the year in which Crossover Match is claimed and document both the date obtained and the date received. (See Form C1 and DOCUMENTATION on Form C2)

The Commission will turn down a claim for Crossover Match received after June 1 if Basic Funding money has already been given out.

PROCEDURE

**INTERLOCAL
MATCH**

Interlocal Match allows a district to claim the costs of goods and services provided to the district by another government agency to be used "in lieu of cash" to meet the requirement for Basic Funding Match. **Interlocal match will only be accepted if the level of your district's cash match will not allow you to receive the maximum amount of Basic Funding available for that year.** To be eligible as match, the Interlocal cost contributions must meet the following requirements:

- 1) Interlocal costs claimed as match must be contributed by another government agency (includes county government).
- 2) No more than half (50%) of the Basic Funding match requirement may be met by documenting Interlocal costs.
- 3) Actual contributions must be documented during the calendar year preceding the Basic Funding Match Program fiscal year. Interlocal costs cannot be claimed as Crossover Match.
- 4) The district cannot reimburse the other government entity for the in-kind contributions claimed as match.

- 5) The costs claimed as match must be eligible costs if incurred by the district.
- 6) The costs claimed as match must be documented as contributed by the other governmental agency and certified as received by the district.
- 7) The costs claimed as match must be documented in the same way as costs incurred by the district.
- 8) Interlocal Match Claims for contributions made must be supported by an "Interlocal agreement" between the other governmental agency and the district. The Interlocal agreement must itemize goods and services to be contributed and estimated cash value.

POLICY

The advantage of Interlocal Match is that it may increase basic funding available for some districts. Disadvantages include the need to create a "tracking/reporting system" and confusion since this broader interpretation is inconsistent with the "cash" accounting system used by districts and reflected in the annual financial report.

NOT ELIGIBLE FOR MATCH

A district may not claim the following as local match for basic funding:

- 1) Money already claimed as basic funding match (coded as nonrevenues), such as:
 - a) Conversion of cash-type asset into another cash-type asset. (Use BARS Code 384.XX.XX)
 - b) Sales and leasehold excise taxes collected on behalf of the state or other entities. (Use BARS Code 386.XX.XX)
 - c) Reimbursements and refunds (Use BARS Code 389.XX.XX)
- 1) Grants of state money to the district by state agencies including the Conservation Commission and the Department of Ecology. State money pass-through grants are also included. (Use BARS Code 334.XX.XX) See also discussion of "grants obtained from the state" under ELIGIBLE MATCH.

POLICY/PROCEDURE

DOCUMENTING AND CERTIFYING MATCH CLAIMS

The district is responsible for documenting, supporting, and certifying match claims as follows:

- 1) The district must keep on file records and supporting documents showing the source(s) of match claimed. The **match claimed must be included in the Annual Financial Report due March 1**. These records and supporting documents must be available for review upon request by Commission staff or auditors designated by the Commission, including but not limited to state auditors.

- 2) In order to be eligible for basic funding, the district must report and claim match on basic funding application forms provided by the Commission. (See Application and Instructions, Forms C1 and C2)
- 3) In order to facilitate reconciliation of Crossover Match Claims with the Annual Financial Report, supporting documentation must be submitted in the year the Crossover Match is claimed. Crossover match must also be reported twice – first in the year claimed and again in the next year. (See Application and Instructions, Forms C1 and C2)
- 4) The District Treasurer must sign the Basic Funding Match Claim form (Application, Form C1) to certify that the claim is accurate and complete, claimed in one year only, documented in district records, and available for audit or review by the auditor, Commission staff, or financial or program auditor designated by the Commission.

PROCEDURE**MANAGEMENT
STANDARDS and
CERTIFICATION**

Districts that accept Basic Funding are expected to meet Money and Program Management Standards established by the Commission or request a deviation from these standards. Future funding (basic or water quality) may be withheld from districts that do not comply or make reasonable efforts to comply with the standards.

POLICY

A district may deviate from standards: 1) for an approved Reasonable Alternative, or 2) during implementation of an approved Action Plan to meet the standards.

A district must submit new money and program management standards certification biennially on the odd years.

Additional instructions, certification forms and request for deviation forms are included in Procedure Manual Section 340 I-A, Management Standards.

POLICY**BASIC FUNDING
MATCH
DISTRIBUTION**

The Basic Funding Match Program Application includes two A-19 Invoice Voucher forms to be signed by an authorized district signatory. Commission staff will try to distribute the basic funding match to districts in a single check. However, in order to get money out as soon as possible to districts that meet the requirements, the Commission may distribute basic funding in two separate checks to some or all districts.

Four factors affect the timing of basic funding and the number of checks involved in the distribution:

- 1) The annual \$22,500 maximum limit per district.

LAW

- 2) The biennial amount appropriated by the legislature for basic funding.

LAW

- 3) The amount of match documented by each district during the previous calendar year.

LAW

- 4) Submission of annual financial statements and match claims by all districts to the Commission.

PROCEDURE

First Distribution Check - A first check will be distributed to eligible districts after match documentation has been received from all districts.

PROCEDURE

Second Distribution Check - If needed, a second check will be distributed after match documentation has been received from all districts. This would occur, for example, if the amount of basic funding available increases.

PROCEDURE**WHERE TO GO
FOR MORE
INFORMATION**

EXHIBIT 360 BFM-A Basic Funding Match Program Policies

EXHIBIT 360 BFM-B Basic Funding Match Program Law

EXHIBIT 360 BFM-C Basic Funding Match Program Application

PM Basic Funding Match Program.doc

Washington State Conservation Commission Basic Funding Match Program Application

Form A: Basic Funding Application Face Sheet

Page ____ of ____

Applicant Conservation District												
Person Completing Application												
Position	Phone											
Identifying Information - Instructions: <i>Complete only if necessary to update information in the Commission Office.</i>		District Phone										
Mailing Address	Street Address <i>(if different from Mailing Address)</i>											
<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">Name</div> <div style="margin-bottom: 20px;">District Chairperson:</div> <div>District Treasurer:</div>	<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">Phone</div>	<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">Mailing Address</div>										
Years <table style="width: 100%; border: none;"> <tr> <td style="width: 20%;">Funding Year:</td> <td style="width: 20%;">Fiscal Year</td> <td style="width: 20%;">(FY)</td> <td style="width: 20%;">Start 7/1</td> <td style="width: 20%;">End 6/30</td> </tr> <tr> <td>Matching Year:</td> <td>Calendar Year</td> <td>(CY)</td> <td>Start 1/1</td> <td>End 12/31</td> </tr> </table>			Funding Year:	Fiscal Year	(FY)	Start 7/1	End 6/30	Matching Year:	Calendar Year	(CY)	Start 1/1	End 12/31
Funding Year:	Fiscal Year	(FY)	Start 7/1	End 6/30								
Matching Year:	Calendar Year	(CY)	Start 1/1	End 12/31								
Summary of Basic Funding Match Claimed Instructions: <i>(Enter amounts from Form C1)</i>												
Match obtained / received last CY Instructions: Enter Column A Total. If no Crossover Match, That's It! <div style="float: right;">\$ _____</div>												
Crossover Match obtained / claimed last CY / received this CY Instructions: If Crossover Match claimed, enter Column B total <div style="float: right;">\$ _____</div>												
Total match claimed this CY instructions: Enter Column A or C Total <div style="float: right;">\$ _____</div>												
Prior CY Crossover Match claim instructions: If Crossover Match was claimed last CY, enter Column D Total <div style="float: right;">\$ _____</div>												

Washington State Conservation Commission Basic Funding Match Program Application

_____ Conservation District

Form B: Application Checklist

Page _____ of _____

Basic Funding Match Application Checklist

Instructions: This checklist will help district and Commission staff keep track of forms and requirements. You may copy or retype forms. Send only the forms that apply to your district. After you are finished, number each form in the upper right hand corner. **Don't forget to add required signatures before sending.** Check boxes below as forms/tasks are completed.

☐ FORM A**APPLICATION FACE SHEET**☐ FORM B**APPLICATION CHECKLIST**

- ☐ Money & Program Management Standards and Certification Statement - attached or on file with the Commission
- ☐ Request(s) for Deviation(s) - attached or on file with the Commission
- ☐ CY Annual Financial Report (due March 1) - attached or on file with the Commission
- ☐ Annual Internal Audit - attached or on file with the Commission (if no state audit)
- ☐ FY Annual Plan of Work (due April 1) - attached or on file with the Commission
- ☐ Prior Annual Report of Accomplishments (due Sept. 1, prior year) – on file with the Commission
- ☐ CY Board Meeting Minutes on file with the Commission
- ☐ Required Final and Quarterly Grant Reports - up-to-date and on file with the Commission

☐ FORM C**BASIC FUNDING MATCH CLAIMED**

- ☐ **Certification Signed and Dated** by Conservation District Treasurer is attached
- ☐ Documentation for **Crossover Match Claim** is attached
- ☐ Documentation for **Interlocal Match Claim** is attached
- ☐ Copy of **Schedule 04** from Annual Financial Report is attached or on file with the Commission

☐ VOUCHERS**TWO SIGNED STATE INVOICE VOUCHERS (A 19-1A)**

- ☐ **Vouchers Signed and Dated** by Authorized District signator are attached

Washington State Conservation Commission

Basic Funding Match Program Application

Conservation District

Form C1: Basic Funding Match Claimed (*Instructions on next page*) Page _____ of _____

Break Out of Match by Years Obtained, Received, Claimed

Instructions:		Column A	Column B	Column C	Column D
See Form C2 (on back) for instructions and definitions.		Received This Year	X Over This Year	Total This Year	X Over Last Year
	OBTAINED	CY 199____	CY 199____	Total	CY 199____
	RECEIVED	CY 199____	CY 199____	Match	CY 199____
	CLAIMED	CY 199____	CY 199____	CY 199____	CY 199____
SOURCE OF MATCH	BARS #				
Federal (Direct)	331 _____	_____	_____	_____	_____
Federal (Indirect)	333 _____	_____	_____	_____	_____
County	337 _____	_____	_____	_____	_____
Intergovernmental Services	338 _____	_____	_____	_____	_____
Sales/Other Services	340 & 341 _____	_____	_____	_____	_____
Plant/Products Sales/Testing	343 _____	_____	_____	_____	_____
Checking/Savings Interest	361 _____	_____	_____	_____	_____
Other Interest	361 _____	_____	_____	_____	_____
Rental Income	362 _____	_____	_____	_____	_____
Contributions/Donations	367 _____	_____	_____	_____	_____
Miscellaneous Revenues	369 _____	_____	_____	_____	_____
Sale/Loss of Fixed Asset	395 _____	_____	_____	_____	_____
Interlocal Match	N/A _____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

CALCULATIONS:	Column A	+ Column B	= Total	Column D
TOTALS:	\$ _____	\$ _____	\$ _____	\$ _____

Instructions: Read back of this page. Complete only **Column A** if no Crossover Match claim this CY or last CY. Enter Totals on Form A, Summary of Basic Funding Match Claimed.

Conservation District Treasurer's Certification

I certify that local match claimed above is accurate and complete to the best of my knowledge. Match is claimed in one year only. Match is documented in district records available for audit or review by the State Auditor, Commission staff, or a financial or program auditor designated by the Commission.

☐ Documentation of **Crossover Match** claim is included.

☐ Documentation of **Interlocal Match** is included.

Treasurer _____
(Signature)

(Printed Name)

Conservation District

Date

Form C2: Basic Funding Match Claimed - Instructions and Definitions

Instructions: Read the definitions below and in **Procedure Manual Section 360 BFM, page 1 - 7**. Enter the amounts and sources of match that you are claiming for this Calendar Year (CY) on Form C1. Add Bars Code extensions, used by your district. If you did not claim **Crossover Match** last CY and are not claiming **Crossover Match** this CY, complete only Column A. If you are claiming **Crossover Match** this year, enter in Column B. Add Columns A and B. Enter Totals in Column C. If you claimed **Crossover Match** last year, enter in Column D (**Not** Columns A, B, or C). Attach required **Crossover Match** and **Interlocal Match** documentation. Transfer Column totals and the Total Match Claimed to Form A.

- Basic Funding Match:** State law defines funding match as “**equal to the total moneys obtained by the conservation district from all other sources, other than any grants obtained from the state, during the preceding calendar year.**” (RCW 89.08.410)
- Basic Funding Year:** This is the twelve-month period in which districts receive **Basic Funding**. It is the same period as our state fiscal year that starts July 1 of one calendar year and ends June 30 of the next calendar year. “**FY**” is the common abbreviation for our state fiscal year. In other situations, “**FY**” may refer to a different twelve-month budgeting period. This is different from **Matching Year** (see below).
- Crossover Match:** Refers to moneys claimed as match by the district in the year the money was obtained rather than the year received.
- Documentation:** The district must document all claims for match in financial records available for audit. Documentation of **Crossover Match** must be included with the basic funding application in the year **claimed**. Documentation must clearly show the money was obtained by the district in the last calendar year and received before you apply for basic funding. For example, a statement that shows interest accrued last year and paid this year or a letter from the county obligating money last year and proof it was received this year. This is necessary for reconciliation with the district's annual financial report.
- Eligible for Match:** Any money **obtained** by the district from all sources other than any grants obtained by the State during the last calendar year is eligible as basic funding match. See also **Obtained, Received, Claimed** and **Not Eligible for Match** below.
- Interlocal Match** Refers to Goods & Services provided to the district by another governmental agency to be used "in lieu of cash" to meet up to 50% of the match requirement. Requires an "interlocal agreement". Use Form D1 to report Interlocal Match.
- Matching Year:** The calendar year (CY) (January 1 - December 31) is established by the Legislature as the reporting period during which conservation districts may **obtain** match moneys required for basic funding. “**CY**” is the common abbreviation for calendar year. The **Matching Year** which applies to the current **Basic Funding Year** is January 1- December 31 of last year. See also **Basic Funding Year**.
- Not Eligible for Match:** A district may not claim money already claimed once as basic funding match (such as crossover match claimed last year, reimbursements, refunds, conversion of cash-type assets into another cash-type asset). State agency grants obtained by the district and sales tax are not eligible as match.
- Obtained, Received, Claimed:** Based on the state law definition of match, the commission allows districts to claim as match moneys **obtained** in the preceding year. Webster defines obtain as “to gain possession by intention.” Moneys **obtained** in one calendar year and **received** by the district in the next calendar year may be claimed in either (but not both!) calendar years, at the option of the district. See **Crossover Match** above.

Conservation District

Contributing Governmental Agency for CY 19

[illegible]

¹ Mileage Rate .315 Jan. to Apr.99; .31 Apr. to Dec.99

² Individual Rate: Attach Individual Composite Rate Sheets

³ Other Rate: Attach Documentation

TOTAL CASH VALUE THIS PAGE

CUMULATIVE CASH VALUE (All Pages) TOTAL

